

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



Phone: (803) 737-0800
Fax: (803) 737-0986

DAN F. ARNETT
CHIEF OF STAFF

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

December 11, 2009

VIA ELECTRONIC FILING

Charles L. A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Petition of South Carolina Electric & Gas Company for an Accounting Order (Barnwell County)
Docket No. 2009-497-E

Dear Mr. Terreni:

This is to acknowledge that the Office of Regulatory Staff ("ORS") has reviewed the above referenced filing and has no objection to the Petition of South Carolina Electric & Gas Company ("SCE&G" or "Company") for an accounting order to defer and record as a regulatory asset a community/economic development grant made to Barnwell County, South Carolina. Barnwell County used the \$1 million grant to entice Crane Co. to relocate and merge its existing facility in St. Louis, Missouri into the Dixie-Narco, Inc. facility in Williston, South Carolina. The grant was made available to be used by Dixie-Narco, Inc. to assist with the moving and relocation of the Missouri operations to Williston. Dixie-Narco, Inc. is a subsidiary of Crane Co., a diversified manufacturer of highly engineered industrial products. The Company provides electric service to Dixie-Narco's main plant in Williston, South Carolina, located in Barnwell County. In addition to preserving approximately 500 existing jobs in the State, the consolidation has the potential to create approximately 1,000 new jobs at the Barnwell County facility over the next five years. Also, Crane Co. anticipates investing approximately \$20 million over time in the new facility to increase operations, which will benefit Barnwell County. The Company requests authorization to defer and record the grant amount as a regulatory asset and amortize to electric operating expenses over the ten-year term of the contract with Dixie-Narco, Inc., in equal monthly amounts effective October 1, 2009.

The request for relief set forth will not involve a change to any of SCE&G's rates or prices, or require any change in any Commission rule, regulation, or policy. Also, the accounting order will not prejudice the right of any party to address this issue in a subsequent general rate case proceeding. ORS believes the Petition is just and proper as the grant promotes economic development in our State.

(Continued...)

Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,



John W. Flitter

JWF/sh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Deputy General Counsel, SC ORS
Shannon Bowyer Hudson, Attorney, SC ORS
K. Chad Burgess, Senior Counsel, SCE&G
Dr. James Spearman, Executive Assistant, PSCSC